



TOM TINDALL
Director

County of Los Angeles
INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue
Los Angeles, California 90063

"To enrich lives through effective and caring service"

Telephone: (323) 267-2101
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January 15, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

16 January 15, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**APPROVE AMENDMENT TO
EXTEND THE CALIFORNIA PUBLIC UTILITIES
COMMISSION ENERGY EFFICIENCY PROGRAM
(ALL DISTRICTS- 3 VOTES)**

SUBJECT

Authorize the Director of the Internal Services Department to accept \$1.9 million in funding provided by the California Public Utilities Commission to implement energy projects in various County facilities; amend the existing agreement with Southern California Edison and Southern California Gas Company to continue the Energy Efficiency Partnership during calendar years 2013 and 2014; and find that this action is exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of the Internal Services Department (ISD) to accept \$1.9 million in funding provided by the California Public Utilities Commission (CPUC) to implement energy projects in various County facilities.
2. Authorize the Director of ISD or his designee to execute an amendment substantially similar to the current 2010-2012 Agreement with Southern California Edison (SCE) and Southern California Gas Company (SCG) to continue to implement the Energy Efficiency Partnership during calendar years 2013 and 2014.
3. Find the approval of this action is categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommendation is to authorize ISD's Director or his designee to amend the existing agreement with SCE and SCG to allow ISD to continue to complete energy efficiency projects within County facilities throughout SCE and SCG service territories. These energy efficiency projects will result in electricity and gas savings for the County.

On February 16, 2010, your Board authorized ISD's participation in a Partnership with SCE and SCG to utilize a CPUC grant of \$4.3 million to implement energy efficiency projects throughout County facilities for calendar years 2010 through 2012. This program funds energy efficiency projects in County facilities, including retro-commissioning, lighting, and building control system upgrades, which have proven to be highly cost-effective under the Partnership program.

On November 8, 2012, the CPUC issued a decision approving the extension of the Partnership to 2014. The 2013-14 Program will continue the implementation of energy efficiency projects within County facilities. The decision allows for the Partnership to amend the existing 2010-12 Agreement to maintain continuity within the program.

Implementation of Strategic Plan Goals

These actions support Goal 1, Operational Effectiveness, by obtaining external funding to promote environmentally responsible practices. These actions also support Goal 3, Community and Municipal Services, by providing a program that promotes energy efficiency and conservation, and enhances health and sustainable practices in the County.

FISCAL IMPACT/FINANCING

The CPUC funding totals \$1.9 million, which is available for calendar years 2013 and 2014. Thus, this funding may span three fiscal years (FY 2012-13, 2013-14, and 2014-15). All expenditures and corresponding revenues will be accounted for in the fiscal year when incurred. ISD will amend the existing 2010-12 Agreement with SCE and SCG to continue to implement energy efficiency projects through the Partnership. ISD will request sufficient appropriation in the Countywide Utilities budget in its FY 2013-14 and 2014-15 budget requests.

This action does not increase net County cost. Projects implemented under this program will reduce the County's long term energy usage.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 16, 2010 your Board authorized the Director of ISD to enter into the 2010-12 Agreement (Attachment B) to allow ISD to complete energy efficiency projects within County facilities throughout SCE and SCG service territories. The 2010-2012 Agreement stated that all implementation work was to be completed by December 31, 2012, which was achieved and allows for administrative activities to continue through June 30, 2013. The proposed addendum will provide the authority to amend the existing agreement to expend additional funds in 2013-14 for implementation work.

The existing 2010-12 Agreement allows for amendments. This amendment (Attachment C) will allow SCE and SCG to expend funds to continue energy efficiency programs during the period from January 1, 2013 to December 31, 2014. The draft amendment has been approved as to form by County Counsel.

CONTRACTING PROCESS

All terms of the existing agreement will remain in force. SCE and SCG will continue to provide administrative duties and ISD will be responsible for the bidding processes, contracting for all project implementation, and make all payments for completed work. ISD will manage all projects and oversee daily work progress in all County facilities.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Upon completion of the projects, inefficient and outdated equipment will have been replaced and the County utility costs will be reduced.

CONCLUSION

Your Board's approval of the amendment will allow ISD to continue with its successful partnership program to implement energy efficiency projects throughout the County.

Respectfully submitted,

A handwritten signature in dark ink that reads "Tom Tindall". The signature is written in a cursive, flowing style.

TOM TINDALL

Director

TT:TB:BR

Enclosures

c: Chief Executive Officer
Executive Office, Board of Supervisors
County Counsel



Tom Tindall
Director

COUNTY OF LOS ANGELES
Internal Services Department

1100 North Eastern Avenue
Los Angeles, California 90063

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Telephone: (323) 267-2101
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February 16, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE ENERGY EFFICIENCY PROGRAM
CALIFORNIA PUBLIC UTILITIES COMMISSION
(3 VOTES) (ALL DISTRICTS)**

SUBJECT

Authorize the Director of the Internal Services Department to enter into an agreement with Southern California Edison and Southern California Gas Company to implement energy projects in various County facilities with funds provided by the California Public Utilities Commission (CPUC) and find that the approval of this action is exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the approval of this action is categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).
2. Authorize the Director of the Internal Services Department (ISD) or his designee to negotiate and execute an Agreement to Jointly Deliver the 2010-2012 Los Angeles County/IOU Energy Efficiency Partnership Program (Agreement) substantially similar in form to attachment with Southern California Edison (SCE) and Southern California Gas Company (SCG) to implement energy projects in various County facilities with funds provided by the California Public Utilities Commission (CPUC).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommendation is to authorize ISD's Director or his designee to negotiate and execute the Agreement (Attachment A) with SCE and SCG to allow ISD to complete energy efficiency projects within County facilities throughout SCE and SCG service territories. These projects will result in electricity and gas savings for the County.

This program is a continuation of the partnership program approved by your Board in August 2006. The projects completed included retro-commissioning of County facilities, mechanical retrofits, controls and other equipment retrofits. This highly successful program saved over \$2 million in annual utility costs. In 2009, your Board approved an amendment to the 2006-08 partnership contract to allow the program to continue into 2009 until the CPUC issued a final decision for the next three year cycle. On October 1, 2009, the CPUC issued its approval of the 2010-2012 program.

The 2010-12 partnership program has been awarded \$4.2 million by the CPUC. This program will continue to focus on identifying energy efficiency activities in County facilities in support of the recently adopted County of Los Angeles Energy and Environmental Plan. Efficiency measures to be implemented include retrofits, retro-commissioning, education and training for facility and maintenance personnel, new construction design assistance and the installation of new technologies for energy efficiency.

Implementation of Strategic Plan Goals

These energy savings projects support Goal Number 1 of the County's Strategic Plan, Operational Effectiveness, by investing in the public infrastructure and including actions to meet the goal of a 20 percent reduction in energy and water usage in facilities by 2015.

FISCAL IMPACT/FINANCING

Partnership funds will be used to fully or partially offset project costs. Partnership funds will fully offset the total costs for retro-commissioning projects and any education and training. Qualifying retrofit projects that are (or will be) funded from other sources will receive a rebate/incentive to offset a portion of the total project costs. Such projects include lighting, heating, ventilating and air conditioning upgrades, upgrades to pumping systems and new construction. ISD will work in conjunction with other County departments to identify retro-commissioning and retrofit projects and other sources of funding as necessary. Other sources of funding may include grants, rebates/incentives received for past completed projects, or County funds.

ISD provides administrative and project management services to support the partnership program. The cost for ISD's services are offset by the Utility budget indirect rate.

Sufficient appropriation is available in ISD's Fiscal Year 2009-10 budget to complete this fiscal year's planned projects. In future fiscal years, ISD's Utility budget requests will reflect sufficient appropriation for planned project costs.

It is anticipated that the 2010-12 partnership program will result in an estimated annual utilities savings to the County of approximately \$1 million annually after all projects are identified and

implemented.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under the Agreement and in conjunction with the CPUC order, SCE will be responsible for overall program administration which includes disbursement of all funding and reporting program status to the CPUC. The Agreement also defines each partner's individual responsibilities and identifies specific implementation plans. ISD will either competitively bid and contract for the retro-commissioning and retrofit projects and implement the associated energy savings measures utilizing its Energy Efficiency Project Master Agreement (EEPMA) vendors or use in-house craft services as applicable. ISD will also provide technical assistance including site selection and project screening, project management, use of energy management information systems and coordination with County facility managers and tenants.

The partnership will also investigate non retro-commissioning retrofits and other cost-effective projects because they could receive incentives or be implemented under this program. For example, qualified energy projects that ISD is developing for possible implementation using other funding sources could be fully or partially funded under this program. The partnership will also work closely with Public Works' design teams on new construction projects to identify new construction efficiency measures that could qualify for partnership rebates and incentives.

Per the CPUC Program requirements, all projects must be completed by December 2012.

The Agreement has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The approval of this Agreement is exempt from CEQA pursuant to Section 15301 of the state CEQA guidelines because the services to be performed under the Agreement consist of minor alterations to public facilities and/or equipment involving no expansion of existing use.

CONTRACTING PROCESS

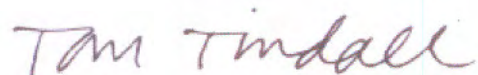
The Agreement defines the roles and responsibilities for each of the parties. SCE and SCG will provide overall administration and reporting to the CPUC. ISD will conduct the bidding processes using the EEPMA approved by your Board and contract for all project implementation. Retro-commissioning projects will be funded through the partnership for all work completed. Other projects that are funded from another source will receive a rebate to offset a portion of the costs. ISD will manage all projects, oversee daily work progress and provide coordination with other County departments in all County facilities.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Upon completion of the projects, inefficient and outdated equipment will have been replaced, the facilities mechanical systems will function at optimal performance and the County's utility costs will be reduced.

The Honorable Board of Supervisors
2/16/2010
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Respectfully submitted,



TOM TINDALL
Director

TT:NH:ynj

Enclosures

c: Chief Executive Officer
Executive Office, Board of Supervisors
County Counsel

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FIRST AMENDMENT

THIS FIRST AMENDMENT TO THE AGREEMENT TO JOINTLY DELIVER THE 2013-2014 Los Angeles County/IOU ENERGY EFFICIENCY PARTNERSHIP PROGRAM (the "First Amendment") is effective as of the 2013-14 Amendment Effective Date (defined hereinafter) by and among SOUTHERN CALIFORNIA EDISON COMPANY ("SCE"), SOUTHERN CALIFORNIA GAS COMPANY ("SCG"), THE COUNTY OF LOS ANGELES ("LA COUNTY"). Terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement to Jointly Deliver the 2013-2014 LA County/IOU Energy Efficiency Partnership Program (the "Agreement").

RECITALS

WHEREAS, the Parties previously executed the Agreement to Jointly Deliver the 2010-2012 LA County/IOU Energy Efficiency Partnership Program effective January 1, 2010 (the "Agreement");

WHEREAS, on May 18, 2012, the Commission issued a Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education, and Outreach ("Final Guidance Decision") guiding the Utilities to continue the Statewide Institutional Partnerships, which included the LA County/IOU Energy Efficiency Partnership Program, through a two year 2013-14 transition period (hereinafter referred to as the "2013-14 Program");

WHEREAS, on July 2, 2012, the Utilities submitted their respective applications ("2013-14 Applications") for the implementation of energy efficiency programs to be delivered to California utility customers for the years 2013 through 2014, which included the 2013-14 Program, a continuation of the 2010-12 Program;

WHEREAS, contingent on the adoption by the Commission of a Final Decision approving the Utilities' 2013-14 Applications as submitted, the Parties desire to extend the Agreement through 2014 under the terms and conditions set forth in the Agreement, except as otherwise provided in this First Amendment; and

WHEREAS, the Parties desire to further amend the Agreement as necessary to provide an authorized budget for the 2013-2014 Program and to update the Agreement as required to reflect the extended 2013-2014 Program cycle.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Effective Date & Conditions Precedent to Effectiveness: The First Amendment Effective Date shall be the date by which all of the following conditions precedent to effectiveness have been met:
 - a. All Parties have signed this First Amendment; and
 - b. The Commission has issued a final decision approving the Utilities' respective 2013-14 Applications as filed, or in a form acceptable to each of the respective Utilities in their sole discretion.
2. Except as provided herein, and to the extent applicable, any reference in the Agreement to the "2010-12 Program" shall hereby include both the 2010-12 Program and the 2013-14 Program.

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3. Section 1.7 of the Agreement (as amended), shall only refer to the 2010-12 Program and shall hereby be renumbered as “Section 1.7.1”, but shall otherwise remain unchanged. The addition of a new Section 1.7.2 shall hereby be included and shall correspond to the 2013-14 Program as follows:

1.7.2 Authorized 2013-14 Budget: The Commission-approved total budget for performance of the Authorized Work performed after December 31, 2012 for the 2013-2014 Program apportioned by each Utility and for LA County is as follows:

- a. the incentive budget for LA County facilities in SCG’s service territory is \$_____;
- b. the administrative budget for LA County facilities in SCG’s service territory is \$_____;
- c. the incentive budget for LA County facilities in SCE’s service territory is \$1,399,445; with a kWh savings goal of 5,247,919 kWh and 619 kW.

4. Section 1.8 of the Agreement is hereby deleted and replaced with the following:

1.8 Authorized Project Budget: The maximum approved budget for each 2010-12 Approved Project, or 2013-14 Approved Project, as the case may be, which shall be funded by the Utility(ies) that service the campus where such Approved Retrofit, MBCx, and New Construction Approved Projects are located.

5. Section 1.12 of the Agreement is hereby deleted and replaced with the following:

1.1.2 LA County Project Package: For the 2010-2012 Program cycle, the documents attached hereto as Exhibit C, which each Approved Retrofit or MBCx or RCx Project, describing the project, the Authorized Project Budget, estimated energy savings, projected completion date, invoice procedures, Utility payment schedule, and a sample Project Invoice. For the 2013-2014 Program cycle, the documents attached hereto as Exhibit F (LA County Project Package for RETROFIT or MBCx or RCX or and New Construction), which each participating agency will receive upon request.

6. Section 1.22 of the Agreement is hereby deleted and replaced with the following:

1.22 PIP or Program Implementation Plan: The Parties’ plans for implementing the Program in each Utility’s service territory, submitted to the Commission as part of each Utility’s Compliance Filing for 2010-2012 energy efficiency programs and for 2013-14 energy efficiency programs, and attached hereto and incorporated herein for each Utility is as follows:

- a. 2010-12 Programs: Exhibit A-1 for SCG and Exhibit A-2 for SCE.
- b. 2013-14 Programs: Exhibit G-1 for SCG and Exhibit G-2 for SCE.

7. Section 10 of the Agreement is hereby deleted and replaced with the following:

Unless this Agreement is terminated pursuant to Section 23 below, the Parties shall complete all Program administrative activities (as defined by PIPs’ workbooks and reporting requirements) by no later than June 30, 2015, including submission of the Final Report(s), unless otherwise agreed to by the Parties or so ordered by the Commission; provided, however that all Direct

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Implementation and Marketing & Outreach activities (as defined in the PIPs) must be completed no later than December 31, 2014.

8. Section 11 of the Agreement is hereby deleted and replaced with the following:

All Parties must submit final invoices no later than March 31, 2015.

9. Section 18 of the Contract is hereby deleted and replaced with the following:

18. TIME IS OF THE ESSENCE

18.1 The parties hereby acknowledges that time is of the essence in performing their obligations under this Agreement. Failure to comply with milestones and goals stated in this Agreement may constitute a material breach of this Agreement, resulting in its termination, payments being withheld, Implementer Budgets being reduced or adjusted, funding redirected to SCE to other programs or partners, or other Program modifications as determined by SCE or as directed by the Commission. All Work must be performed and completed by December 31, 2014, pursuant to Section 18.2 or 18.3.

18.2 Contingent on the Commission issuing a Bridge Funding Decision, the date upon which all Work must be performed and completed shall be extended to such date as provided in the Bridge Funding Decision.

18.3 Contingent on the adoption by the Commission of a Final Decision approving SCE's 2013-2014 Application as filed, or in a form acceptable to SCE in its sole discretion, the date upon which all Work must be performed and completed shall be extended to December 31, 2014.

10. Section 23.1 of the Agreement is hereby deleted and replaced with the following:

23.1 Term. This Agreement shall be effective as of January 1, 2010. The Agreement shall continue in effect until August 31, 2015 ("Term") unless otherwise terminated in accordance with the provisions of Section 23 below.

23.2 Termination. Any Party may, upon approval of all non-breaching Parties, terminate this Agreement in the event of a material breach by one Party of any of the material terms or conditions of this Agreement, provided such breach is not remedied within sixty (60) days notice to a breaching Party thereof from a non-breaching Party or otherwise cured pursuant to the dispute resolution provisions set forth in Section of this Agreement.

23.3 Effect of Termination. Termination by LA County or by all of the Utilities shall constitute a termination of this Agreement in its entirety (subject, however, to the survival provisions of Section 35).

23.3.1 The terminating Party (in the event such termination by such Party does not completely terminate this Agreement) or each Party (in the event this Agreement is terminated in its entirety) shall be entitled to PGC or Gas

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Surcharge Funds for all Program Expenditures incurred or accrued pursuant to contractual or other legal obligations for Authorized Work up to the effective date of termination of this Agreement, provided that any Monthly Reports or other reports, invoices, documents or information required under this Agreement or by the Commission are submitted in accordance with the terms and conditions of this Agreement. The provisions of this Section 23.3.1 shall be a Party's sole compensation resulting from any termination of this Agreement.

- 23.3.2 In the event of a partial termination of this Agreement by a Utility or LA County, LA County and the remaining Utilities, at their sole option without waiving any other rights as may be provided for in this Agreement, or in law or equity, may elect to continue the Program jointly as continuing parties to this Agreement, in which case, the Cost Share of each remaining Utility shall be revised to reflect the revised pro rata share. If the terminating party is the Lead Utility, then the remaining Utilities shall work together in good faith to appoint the continuing Lead Utility.
- 23.3.3 In the event of termination of this Agreement in its entirety, LA County shall stop any Authorized Work in progress and take action as directed by the Lead Utility to bring the Authorized Work to an orderly conclusion, and the Parties shall work cooperatively to facilitate the termination of operations and any applicable contracts for Authorized Work.
- 23.4 Contingent on the Commission issuing a Bridge Funding Decision, the term of this Contract shall be extended to the date provided in the Bridge Funding Decision.
- 23.5 Contingent on the adoption by the Commission of a Final Decision approving SCE's 2013-2014 Application as filed, or in a form acceptable to SCE in its sole discretion, the term of this Contract shall be extended to midnight on December 31, 2014.
11. General. From and after the First Amendment Effective Date, any reference to the Contract contained in any notice, request, certificate or other instrument, document or agreement shall be deemed to mean the Contract, as amended by this First Amendment. In the event of any conflict between the Contract and this First Amendment, this First Amendment shall prevail. All remaining provisions of the Contract shall remain unchanged and in full force and effect. Each party is fully responsible for ensuring that the person signing this First Amendment on that party's behalf has the requisite legal authority to do so.
12. Exhibit G (2013-14 PIPs) and Exhibit F (LA County Project Package for RETROFIT or MBCx or RCX or and New Construction), which are attached to this 2013-14 Amendment, are incorporated herein by reference and made a part of the Agreement. All references in the Agreement to Exhibit A shall be references to Exhibit G for 2013-14 Approved Projects. All references in the Agreement to Exhibit C shall hereby be references to Exhibit F for 2013-14 Approved Projects.

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13. All remaining provisions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Second Amendment to be executed by their duly authorized representatives.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

LA COUNTY:

COUNTY OF LOS ANGELES

Internal Services Department:

Approved as to Form:

By: _____

Name Printed: Tom Tindall

**Its: Director, Internal Services
Department**

Date: _____, 2012

SCG:

**SOUTHERN CALIFORNIA GAS
COMPANY**

By: _____

Name Printed: Anne Smith

**Its: Senior Vice President,
Customer Service**

Date: _____, 2012

SCE:

**SOUTHERN CALIFORNIA EDISON
COMPANY**

By: _____

Name Printed: Erwin Furukawa

**Its: Senior Vice President,
Customer Service**

Date: _____, 2012